

## SCARPONE STAIANO & SAVAGE LLC

By: **Patricia A. Staiano (PS-8954)**  
**James A. Scarpone (JS-5403)**

**744 Broad Street, Suite 1901**

**Newark, New Jersey 07102**

(973) 648-0065

**Attorneys for Benjamin A. Stanziale, Jr., Plaintiff/Chapter 7 Trustee**

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEW JERSEY**

In re:

## **PITTRA G.B. INTERNATIONAL, INC.,**

**Debtor.**

**BENJAMIN A. STANZIALE, JR., CHAPTER  
7 TRUSTEE FOR PITTRA G.B.  
INTERNATIONAL, INC.,**

**Plaintiff,**

V.

ARTHUR KUPPERMAN, PAULETTE  
KRELMAN, E. ROSS BROWNE, SR.,  
ESCROW AND CLOSING SERVICES LTD.,  
PGB INTERNATIONAL, LLC and  
WACHOVIA BANK, N.A.,

## Defendants.

- X -

Benjamin A. Stanziale, Jr., hereby certifies, pursuant to 28 U.S.C. § 1746 as follows:

1. I am the duly appointed Chapter 7 Trustee of Debtor PITTRA G.B. International, Inc. (“Debtor”).
2. I submit this Certification in support of my Verified Complaint and

request for entry of an Order To Show Cause to restrain the defendants in this case from transferring certain assets which may be property of the Debtor's estate out of the United States, specifically, funds contained in Account No. 1003784550891 and all sub-accounts, including, but not limited to, Sub-account control 4312894-98 held at Wachovia Bank, N.A. ("Wachovia").

3. In my investigation of the assets and financial affairs of the Debtor, I caused a subpoena to be served upon Merrill Lynch Business Financial Services Inc. ("MLBFS"). MLBFS provided me with documents in response to my subpoena, which documents clearly suggest that there are or may be substantial assets of the Debtor which were not disclosed on the Debtor's petition and may very well have been transferred to a new entity, defendant, PGB International, LLC ("PGB International"). I believe that there is a substantial risk that these assets, including \$10 million held in the above noted account and sub-accounts and Wachovia, may about to be transferred outside of the United States.

4. I am particularly concerned based upon several documents that I received from MLBFS, including a letter dated September 7, 2006, with enclosure, from Robert A. Cooper of Escrow and Closing Services Ltd. The enclosure to the September 7, 2006 letter is a schedule of disbursements to be made from escrow funds on deposit in an account at Wachovia containing \$10 million (the "Disbursement Schedule"). According to the Disbursement Schedule, some of the parties due to receive payments from this account are outside of the United States, as indicated by the "SWIFT" notations on the Disbursement Schedule. Furthermore, Arthur Kupperman ("Kupperman"), the former principal of the Debtor and a principal of PGB International, is also scheduled to receive \$650,000.00. A

copy of the September 7, 2006 letter and Disbursement Schedule that I received from MLBFS is attached hereto as Exhibit "A".

5. In addition to the letter and Disbursement Schedule from Escrow and Closing Services Ltd., I also received several other documents from MLBFS which concern me. MLBFS provided me with a copy of an Independent Auditors' Report purportedly issued by Amper, Politziner & Mattia, P.A., Certified Public Accountants and Consultants ("Amper Politziner") dated December 22, 2004, with accompanying Balance Sheets and related Statements of Income and Retained Earnings and Cash Flows (the "2004 Report"), which report and attachments are attached hereto as Exhibit "B".

6. The 2004 Report states total assets of the Debtor of \$8,812,942.00 and total liabilities of \$6,513.991.00.

7. MLBFS also produced a document which purports to be an Independent Auditors' Report dated December 16, 2005 with attached Balance Sheet, related Statements of Income and Retained Earnings and Cash Flows, once again, apparently issued by Amper Politziner (the "2005 Report"), which report and attachments are attached hereto as Exhibit "C".

8. The 2005 Report states total assets of the Debtor of \$11,119,325.00 and total liabilities of \$8,064,931.00. Note 5 to the 2005 Report also reflects that the Debtor maintained a line of credit of \$3,750,000.00, and on the balance sheet, the credit line payable is listed at \$3,748,948.00.

9. The Debtor's Voluntary Petition, filed approximately two months after the 2005 Report, tells a rather different story. Debtor lists total assets of \$0.00 and does not

list MLBFS as a creditor at all. In fact, the only mention of MLBFS is on the Statement of Financial Affairs, item 3.b. wherein MLBFS is listed as having received a payment on January 10, 2006 in the amount of \$293,104.34. MLBFS is listed as being owed \$0.00.

10. My counsel has been in contact with MLBFS since I caused the subpoena to be issued to MLBFS. MLBFS has advised us that they are still owed approximately \$4.1 million by the Debtor, and, its principal, defendant Kupperman, as a result of a personal guaranty executed by Kupperman.

11. Clearly, the discrepancies in the documentation, Petition, Schedules and Statement of Financial Affairs and other information received from MLBFS have caused me grave concern about the veracity of the Debtor and its principals and, what I believe is the fraudulent transfer of Debtor's assets to PGB International and other parties.

12. In response to the subpoena, MLBFS also produced to me a balance sheet dated March 31, 2006 for the Debtor (the "3/31/06 Balance Sheet") attached hereto as Exhibit "D". This balance sheet is dated post-petition, however, neither I nor my counsel provided the balance sheet to MLBFS, nor had we ever seen it prior to the MLBFS document production.

13. More disturbingly, my counsel and I have been advised by MLBFS and its counsel that when MLBFS called Amper Politziner this week to ascertain the origination and circumstances surrounding the preparation of the 2004 Report and 2005 Report, Amper Politziner advised MLBFS that Amper Politziner's records did not reflect that the Debtor was an audit client of Amper Politziner.

14. Based upon all of the above information, I have caused my counsel to

file an Order To Show Cause and Verified Complaint seeking, among other things, immediate restraints and order that Wachovia not be permitted to transfer the \$10 million held in account no. 1003784550891, sub-account no. 4312894-98, as referenced on the Disbursement Schedule, as well as any accounts or sub-accounts held in the name of or for the benefit of the Debtor and/or PGB International. I believe that this estate will be immediately irreparably harmed if the proposed disbursements of \$10 million are made without giving me an opportunity to investigate these transfers more fully.

I hereby certify that the foregoing statements are true to the best of my knowledge and belief. I understand that if the foregoing is willfully false, I am subject to punishment.

/s/ Benjamin A. Stanziale, Jr.  
Benjamin A. Stanziale, Jr.

Dated: September 20, 2006

# **EXHIBIT A**

*Escrow and Closing Services Ltd.*

ROBERT A. COOPER

P. O. BOX 8745

NEWARK, NEW JERSEY 07101-8745

*Offices located worldwide*

September 7, 2006

Ladies and Gentlemen:

Thank you for your patience and cooperation during these past few days. I know this was a complex series of transactions due to the numerous closings that needed coordination in South America as well as the British Virgin Islands.

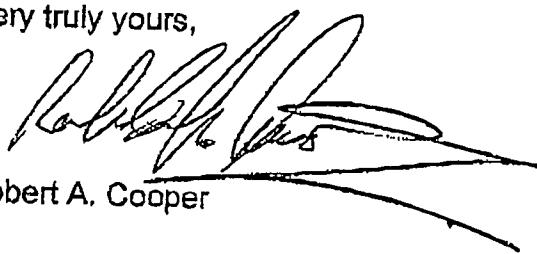
Attached you will find the schedule of disbursements to be made from the escrow funds on deposit in our account. All necessary filings will be recorded on Friday, September 08, 2006 and disbursements will be made at the start of business on Monday, September 11, 2006. Payments have been calculated according to this schedule.

The full book of closing documents, loan and security agreements, and filings will be bound and sent by courier to each party by the end of next week.

Documents evidencing the release of liens against the assets of PITTRA G.B. International, Inc. and PGB International LLC will be obtained and recorded within the next 15 days.

It was a pleasure working with you and I look forward to any future opportunity to be of service.

Very truly yours,



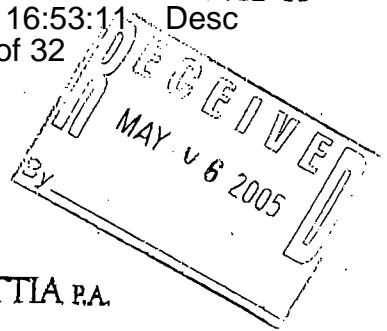
Robert A. Cooper

Enc.

Payee	Description	Payments	Balance
Escrow fund payment directives			
Beginning balance			
Wachovia Bank- Account 1003784550891			\$10,000,000.00
Sub-account control 4312894-98			
<u>Disbursements:</u>			
For FIG US, Inc.			
Merrill Lynch Business Financial Services, Inc.			
Bank of America			
ABA 026009593			
Account 8188101946			
Reference - PITTRA G.B. International, Inc. 871-071772			
Merrill Lynch Business Financial Services, Inc.	Credit line payoff	\$3,785,350.90	\$6,214,649.10
Bank of America	Per PGB International LLC		
ABA 026009593			
Account 8188101946			
Reference - PITTRA G.B. International, Inc. 912836907			
PCB International, LLC			
ABA [REDACTED]	Term loan payoff	\$151,020.92	\$6,063,628.18
Account [REDACTED]	Per PCB International LLC		
Arthur Kuppeman			
ABA [REDACTED]			
Account [REDACTED]			
Commissions			
Per PCB International LLC	\$650,000.00	\$3,919,601.93	

Payee	Description	Payments	Balance
N&A Business Consulting Services, Inc. FBI - GCB Bank ABA Account	Commissions Per PGGB International LLC	\$350,000.00	\$3,569,601.93
For IFIG Argentina, S.A. Oficra S.A. Bank [REDACTED] S.A. SWIFT Account	Net proceeds of purchase price Per closing statement	\$1,812,984.02	\$1,756,617.91
Coarex S.A. Bank [REDACTED] S.A. SWIFT Account	Net proceeds of purchase price Per closing statement	\$1,134,783.79	\$621,834.12
For IFIG BVI Ltd. ABIMCO Ltd. Bank [REDACTED] Ltd. SWIFT Account	Net proceeds of purchase price Per closing statement	\$621,834.12 <u>\$0.00</u>	

# **EXHIBIT B**



AMPER, POLITZINER & MATTIA P.A.  
CERTIFIED PUBLIC ACCOUNTANTS  
and CONSULTANTS

EDISON, NEW JERSEY  
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PRINCETON, NEW JERSEY  
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FLEMINGTON, NEW JERSEY  
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### Independent Auditors' Report

Board of Directors  
PITTRA G. B. International, Inc.

We have audited the accompanying balance sheets of PITTRA G. B. International, Inc. as of September 30, 2004 and 2003, and the related statements of income and retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PITTRA G. B. International, Inc. as of September 30, 2004 and 2003, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Amper, Politziner & Mattia P.A.*

AMPER, POLITZINER & MATTIA P.A.

December 22, 2004  
Wall, New Jersey

## PITTRA G. B. INTERNATIONAL, INC.

## Balance Sheet

September 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
<b>Current assets:</b>		
Cash	\$86,198	\$24,237
Accounts receivable		
Direct sales	6,696,242	4,595,298
Indirect sales	209,834	836,096
Other accounts receivable	262,896	350,748
Inventory	967,298	491,763
Prepaid income	0	47,284
Prepaid expenses	<u>36,781</u>	<u>27,636</u>
 Total current assets	 8,259,249	 6,373,062
Equipment	53,693	56,843
Goodwill	<u>500,000</u>	<u>500,000</u>
 Total assets	 <u>\$8,812,942</u>	 <u>\$6,929,905</u>
 <b>Current liabilities:</b>		
Credit line payable	\$3,747,688	\$2,736,327
Current maturity of long term debt	166,667	0
Accounts payable	1,369,643	1,298,683
Accrued expenses	<u>381,903</u>	<u>576,045</u>
 Total current liabilities	 5,665,901	 4,611,055
Long term debt, less current maturities	305,342	0
Subordinated loans	<u>542,748</u>	<u>542,748</u>
 Total liabilities	 <u>6,513,991</u>	 <u>5,153,803</u>
 <b>Stockholder equity</b>		
Capital stock	15,000	15,000
Additional paid in capital	2,039,185	1,539,185
Retained earnings	<u>244,766</u>	<u>221,917</u>
 Total stockholder equity	 <u>2,298,951</u>	 <u>1,776,102</u>
 Total liabilities and equity	 <u>\$8,812,942</u>	 <u>\$6,929,905</u>

**PITTRA G. B. INTERNATIONAL, INC.**  
**Statements of Income and Retained Earnings**  
**For the Years Ended September 30, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
Sales		
Direct	\$49,785,362	\$32,154,064
Brokered	<u>5,735,179</u>	<u>11,793,765</u>
Total sales	<u>55,520,541</u>	<u>43,947,829</u>
Cost of sales		
Direct	47,416,789	29,911,183
Brokered	<u>5,527,316</u>	<u>11,218,760</u>
Total cost of sales	<u>52,944,105</u>	<u>41,129,943</u>
Operating income	2,576,436	2,817,886
Selling, general, and administrative expenses	<u>2,551,897</u>	<u>2,803,015</u>
Income before provision for taxes	24,539	14,871
Provision for taxes on income	<u>1,690</u>	<u>2,347</u>
Net income	22,849	12,524
Retained earnings - beginning	<u>221,917</u>	<u>209,393</u>
Retained earnings - ending	<u>\$244,766</u>	<u>\$221,917</u>

PITTRA G. B. INTERNATIONAL, INC.  
Statement of Cash Flows  
For the Years Ended September 30, 2004 and 2003

	2004	2003
<b>Cash flows from operating activities:</b>		
Net income	<u>\$22,849</u>	<u>\$12,524</u>
Adjustments to reconcile net income to net cash from operating activities		
Depreciation and amortization	50,434	287,956
Decrease (increase) in:		
Accounts receivable	(1,386,830)	(191,344)
Inventory	(475,535)	926,520
Prepaid expenses and other current assets	(9,145)	76,327
Increase (decrease) in:		
Accounts payable	70,960	(2,440,614)
Accrued expenses	<u>(194,142)</u>	<u>(237,087)</u>
Total adjustments	<u>(1,944,258)</u>	<u>(1,578,242)</u>
Cash flow (used in) operations	<u>(1,921,409)</u>	<u>(1,565,718)</u>
<b>Cash flows from investing activities:</b>		
Acquisition of furniture and equipment	0	(25,360)
Cash flows (used in) investing activities	0	<u>(25,360)</u>
<b>Cash flows from financing activities:</b>		
Net increase in credit lines payable	1,011,361	1,110,943
Proceeds of long-term borrowings	500,000	
Repayment of long-term borrowings	(27,991)	
Contributions to additional paid in capital	<u>500,000</u>	<u>300,000</u>
Cash flows provided by financing activities	<u>1,983,370</u>	<u>1,410,943</u>
Net change in cash	61,961	(180,135)
Cash - beginning	<u>24,237</u>	<u>204,372</u>
Cash - ending	<u>\$86,198</u>	<u>\$24,237</u>
<b>Supplemental disclosures of cash paid:</b>		
Interest	<u>\$158,259</u>	<u>\$136,879</u>

## PITTRA G. B. INTERNATIONAL, INC.

## Notes to Financial Statements

## Note 1 Organization

The company was incorporated in October 2001 to acquire the net assets of G.B. International, Inc. and simultaneously acquire accounts receivable, inventory and the goodwill of the PITTRA division of Camerican International, Inc.

In connection with the acquisitions, the amounts paid in excess of the net book value have been recorded as goodwill.

## Note 2 Summary of significant accounting policies

Operations

PITTRA G.B. International, Inc. (the "Company") is an importer and distributor of fruit juice concentrates. The company imports the concentrates from countries in Europe, Asia, Africa, and South America. Distribution of the concentrates is principally to companies located throughout the United States. Credit is granted to substantially all customers, the majority of whom are in the juice industry.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Revenue is recognized upon shipment to customers.

**PITTRA G. B. INTERNATIONAL, INC.**  
**Notes to Financial Statements**

**Note 2 Inventory**

Inventory, consisting primarily of fruit juice concentrates, is stated at the lower of cost (determined on a specific identity basis) or market.

**Furniture and Equipment**

Furniture and equipment are stated at cost, less accumulated depreciation. Depreciation is provided over the estimated useful lives of the assets as follows:

Equipment	Declining balance	5 year estimated useful life
Furniture	Declining balance	5 -10 year estimated useful life

**Note 3 Concentration of Cash Balances**

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and equivalents.

**Note 4 Prepaid Expense and Other Current Assets**

	<u>2004</u>	<u>2003</u>
Prepaid insurance	\$32,031	\$21,186
Prepaid - miscellaneous	<u>4,750</u>	<u>5,450</u>
<b>Total</b>	<b><u>\$36,781</u></b>	<b><u>\$27,636</u></b>

**PITTRA G. B. INTERNATIONAL, INC.**  
**Notes to Financial Statements**

**Note 5 Furniture and equipment**

	<u>2004</u>	<u>2003</u>
Equipment	\$67,409	\$67,409
Furniture	<u>8,750</u>	<u>8,750</u>
Total	76,159	76,159
Accumulated depreciation	<u>22,466</u>	<u>19,316</u>
Net furniture and equipment	<u>\$53,693</u>	<u>\$56,843</u>

**Note 6 Credit line payable**

The Company maintains a credit line facility with a credit line of \$3,750,000. Borrowings on the credit line are based on 80% of the eligible accounts receivable.

The credit line bears interest at the London Interbank Offering Rate (LIBOR) plus 3.15%. The term of the credit facility is one year. The credit facility is secured by all assets of the Company and is personally guaranteed by the stockholders of the Company.

**Note 7 Long term debt**

In June 2004 the Company entered into a term loan for \$500,000 payable over a period of three years. Payments are made in equal monthly installments of principle plus interest at the London Interbank Offering Rate (LIBOR) plus 3.15%. The term loan is from the same financial institution as the credit line referred to in Note 6 and is secured with the same collateral as the credit facility.

PITTRA G. B. INTERNATIONAL, INC.  
Notes to Financial Statements

Note 8 Operating leases

The Company leases office space at a monthly rate of approximately \$3,770 plus certain expenses. The lease is for a term of five years and expires on December 31, 2008.

The Company has other operating leases for transportation vehicles and office equipment. The lease expenses in connection with these operating leases were approximately \$52,000 for the year ended September 30, 2004. These leases expire at various times through June 2005.

Note 9 Income Taxes

The provision for income taxes differs from the amount expected using statutory rates because of permanent differences (officers's life insurance, entertainment expenses, etc.), state taxes, and other timing differences.

Note 10 Commitments

As of September 20, 2004 the Company had no open letters of credit.

Note 11 Retirement Plan

The Company maintains a 401(K) profit-sharing plan ("Plan"). Employees become eligible to participate in the Plan after completing nine months of continuous service for the Company. The Company, at its discretion, can make a contribution not exceeding 5% of the employees' salaries. For the years ended September 30, 2004 and 2003 the contribution expense was approximately \$37,600 and \$38,500, respectively.

# **EXHIBIT C**



EDISON, NEW JERSEY  
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FLEMINGTON, NEW JERSEY  
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MONMOUTH SHORES CORPORATE PARK  
 1350 CAMPUS PARKWAY  
 P.O. BOX 1728  
 WALL, NJ 07719  
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 FAX (732) 919-6230

**Independent Auditors' Report**

Board of Directors  
 PITTRA G. B. International, Inc.

We have audited the accompanying balance sheets of PITTRA G. B. International, Inc. as of September 30, 2005 and 2004, and the related statements of income and retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PITTRA G. B. International, Inc. as of September 30, 2005 and 2004, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Amper, Politzinger & Mattia P.A.*

AMPER, POLITZINGER & MATTIA P.A.

December 16, 2005  
 Wall, New Jersey

## PITTRA G. B. INTERNATIONAL, L.L.C.

## Balance Sheet

September 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
<b>Current assets:</b>		
Cash	\$90,178	\$86,198
Accounts receivable		
Direct sales	9,346,248	6,696,242
Indirect sales	152,190	209,834
Other accounts receivable	214,871	262,896
Inventory	728,190	967,298
Prepaid expenses	<u>44,189</u>	<u>36,781</u>
 Total current assets	 10,575,866	 8,259,249
Equipment	43,459	53,693
Goodwill	<u>500,000</u>	<u>500,000</u>
 Total assets	 <u>\$11,119,325</u>	 <u>\$8,812,942</u>
 <b>Current liabilities:</b>		
Credit line payable	\$3,748,948	\$3,747,688
Current maturity of long term debt	166,667	166,667
Accounts payable	2,780,676	1,369,643
Accrued expenses	<u>783,271</u>	<u>381,903</u>
 Total current liabilities	 7,479,562	 5,665,901
Long term debt, less current maturities	42,621	305,342
Subordinated loans	<u>542,748</u>	<u>542,748</u>
 Total liabilities	 <u>8,064,931</u>	 <u>6,513,991</u>
 <b>Stockholder equity</b>		
Capital stock	15,000	15,000
Additional paid in capital	2,739,185	2,039,185
Retained earnings	<u>300,209</u>	<u>244,766</u>
 Total stockholder equity	 <u>3,054,394</u>	 <u>2,298,951</u>
 Total liabilities and equity	 <u>\$11,119,325</u>	 <u>\$8,812,942</u>

**PITTRA G. B. INTERNATIONAL, INC.**  
**Statements of Income and Retained Earnings**  
**For the Years Ended September 30, 2005 and 2004**

	<u>2005</u>	<u>2004</u>
Sales		
Direct	\$53,987,193	\$49,785,362
Brokered	<u>1,987,204</u>	<u>5,735,179</u>
Total sales	<u>55,974,397</u>	<u>55,520,541</u>
Cost of sales		
Direct	50,812,746	47,416,789
Brokered	<u>1,907,723</u>	<u>5,527,316</u>
Total cost of sales	<u>52,720,469</u>	<u>52,944,105</u>
Operating income	3,253,928	2,576,436
Selling, general, and administrative expenses	<u>3,196,383</u>	<u>2,551,897</u>
Income before provision for taxes	57,545	24,539
Provision for taxes on income	<u>2,102</u>	<u>1,690</u>
Net income	55,443	22,849
Retained earnings - beginning	<u>244,766</u>	<u>221,917</u>
Retained earnings - ending	<u>\$300,209</u>	<u>\$244,766</u>

## Statement of Cash Flows

For the Years Ended September 30, 2005 and 2004

	<u>2004</u>	<u>2003</u>
<b>Cash flows from operating activities:</b>		
Net income	<u>\$55,443</u>	<u>\$22,849</u>
Adjustments to reconcile net income to net cash from operating activities		
Depreciation and amortization	10,234	50,434
Decrease (increase) in:		
Accounts receivable	(2,544,337)	(1,386,830)
Inventory	239,108	(475,535)
Prepaid expenses and other current assets	(7,408)	(9,145)
Increase (decrease) in:		
Accounts payable	1,411,033	70,960
Accrued expenses	<u>401,368</u>	<u>(194,142)</u>
Total adjustments	<u>(490,002)</u>	<u>(1,944,258)</u>
Cash flow (used in) operations	<u>(434,559)</u>	<u>(1,921,409)</u>
 <b>Cash flows from financing activities:</b>		
Net increase in credit lines payable	1,260	1,011,361
Proceeds of long-term borrowings	0	500,000
Repayment of long-term borrowings	(262,721)	(27,991)
Contributions to additional paid in capital	<u>700,000</u>	<u>500,000</u>
 Cash flows provided by financing activities	<u>438,539</u>	<u>1,983,370</u>
 Net change in cash	3,980	61,961
 Cash - beginning	<u>86,198</u>	<u>24,237</u>
 Cash - ending	<u>\$90,178</u>	<u>\$86,198</u>
 <b>Supplemental disclosures of cash paid:</b>		
Interest	<u>\$243,776</u>	<u>\$158,259</u>

PITTRA G. B. INTERNATIONAL, INC.  
Notes to Financial Statements

Note 1. Organization

The company was incorporated in October 2001 to acquire the net assets of G.B. International, Inc. and simultaneously acquire accounts receivable, inventory and the goodwill of the PITTRA division of Camerican International, Inc.

In connection with the acquisitions, the amounts paid in excess of the net book value have been recorded as goodwill.

Note 2. Summary of significant accounting policies

Operations

PITTRA G.B. International, Inc. (the "Company") is an importer and distributor of fruit juice concentrates. The company imports the concentrates from countries in Europe, Asia, Africa, and South America. Distribution of the concentrates is principally to companies located throughout the United States. Credit is granted to substantially all customers, the majority of whom are in the juice industry.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Revenue is recognized upon shipment to customers.

## PITTRA G. B. INTERNATIONAL, INC.

## Notes to Financial Statements

Note 2 Inventory

Inventory, consisting primarily of fruit juice concentrates, is stated at the lower of cost (determined on a specific identity basis) or market.

Furniture and Equipment

Furniture and equipment are stated at cost, less accumulated depreciation. Depreciation is provided over the estimated useful lives of the assets as follows:

Equipment	Declining balance	5 year estimated useful life
Furniture	Declining balance	5 -10 year estimated useful life

Note 3 Concentration of Cash Balances

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and equivalents.

Note 4 Prepaid Expense and Other Current Assets

	<u>2005</u>	<u>2004</u>
Prepaid insurance	\$36,901	\$32,031
Prepaid - miscellaneous	<u>7,288</u>	<u>4,750</u>
<b>Total</b>	<b><u>\$44,189</u></b>	<b><u>\$36,781</u></b>

## PITTRA G. B. INTERNATIONAL, INC.

## Notes to Financial Statements

Note 5 Furniture and equipment

	<u>2005</u>	<u>2004</u>
Equipment	\$67,409	\$67,409
Furniture	<u>8,750</u>	<u>8,750</u>
Total	76,159	76,159
Accumulated depreciation	<u>32,700</u>	<u>22,466</u>
Net furniture and equipment	<u>\$43,459</u>	<u>\$53,693</u>

Note 6 Credit line payable

The Company maintains a credit line facility with a credit line of \$3,750,000. Borrowings on the credit line are based on 80% of the eligible accounts receivable.

The credit line bears interest at the London Interbank Offering Rate (LIBOR) plus 3.15%. The term of the credit facility is one year. The credit facility is secured by all assets of the Company and is personally guaranteed by the stockholders of the Company.

Note 7 Long term debt

In June 2004 the Company entered into a term loan for \$500,000 payable over a period of three years. Payments are made in equal monthly installments of principle plus interest at the London Interbank Offering Rate (LIBOR) plus 3.15%. The term loan is from the same financial institution as the credit line referred to in Note 6 and is secured with the same collateral as the credit facility.

PITTRA G. B. INTERNATIONAL, INC.  
Notes to Financial Statements

Note 8 Operating leases

The Company leases office space at a monthly rate of approximately \$3,770 plus certain expenses. The lease is for a term of five years and expires on December 31, 2008.

Note 9 Income Taxes

The provision for income taxes differs from the amount expected using statutory rates because of permanent differences (officer's life insurance, entertainment expenses, etc.), state taxes, and other timing differences.

Note 10 Commitments

As of September 20, 2005 the Company had no open letters of credit.

Note 11 Retirement Plan

The Company maintains a 401(K) profit-sharing plan ("Plan"). Employees become eligible to participate in the Plan after completing nine months of continuous service for the Company. The Company, at its discretion, can make a contribution not exceeding 5% of the employees' salaries. For the years ended September 30, 2005 and 2004 the contribution expense was approximately \$40,100 and \$37,600, respectively.

**PITTRA GB International, Inc.**  
**Balance Sheet**  
**December 31, 2005**

## Current assets:

Cash	\$82,803
Accounts receivable	
Direct sales	8,675,003
Indirect sales	76,302
Other accounts receivable	182,121
Inventory	1,304,921
Prepaid expenses	<u>37,106</u>
 Total current assets	 \$10,358,256
Equipment	51,324
Goodwill	<u>500,000</u>
 Total assets	 <u>\$10,909,580</u>

## Current liabilities:

Due to Merrill Lynch-credit line	\$3,703,483
Due to Merrill Lynch-term loan current	166,667
Accounts payable	3,021,999
Accrued expenses	<u>35,190</u>
 Total current liabilities	 \$6,927,339
Other liabilities:	
Due to Merrill Lynch-term loan non-current	94,017
Subordinated loans	<u>542,748</u>
	<u>636,765</u>
 Total liabilities	 7,564,104

## Stockholder equity

Capital stock	15,000
Additional paid in capital	2,739,185
Retained earnings	<u>591,291</u>
 Total stockholder equity	 <u>3,345,476</u>
 Total liabilities and equity	 <u>\$10,909,580</u>

**PITTRA GB International, Inc.**  
Statement of income  
For the three months ended December 31, 2005

Sales	\$16,233,436
Cost of sales	<u>15,276,553</u>
Gross profit	956,883
Commission income:	
Sales value	\$836,981
Cost of sales	<u>798,963</u>
Net commission income	<u>38,018</u>
Operating income	994,901
Selling, general, and administrative expenses	<u>703,819</u>
Income before provision for taxes	<u>\$291,082</u>

# **EXHIBIT D**

**PITTRA G.B. International, Inc.**  
**Balance Sheet**  
**March 31, 2006**

**Current assets:**

Cash	\$27,163
Accounts receivable	
Direct sales	8,983,484
Indirect sales	52,198
Other accounts receivable	178,206
Inventory	1,527,809
Prepaid expenses	<u>43,289</u>
 Total current assets	 \$10,812,149
Equipment	51,324
Goodwill	<u>500,000</u>
 Total assets	 <u>\$11,363,473</u>

**Current liabilities:**

Due to Merrill Lynch-credit line	\$3,748,256
Due to Merrill Lynch-term loan current	166,667
Accounts payable	2,834,065
Accrued expenses	<u>367,206</u>
 Total current liabilities	 \$7,116,194

**Other liabilities:**

Due to Merrill Lynch-term loan non-current	52,350
Subordinated loans	<u>542,748</u>
	<u>595,098</u>
 Total liabilities	 7,711,292

**Stockholder equity**

Capital stock	15,000
Additional paid in capital	2,739,185
Retained earnings	<u>897,996</u>
 Total stockholder equity	 <u>3,652,181</u>
 Total liabilities and equity	 <u>\$11,363,473</u>

**PITTRA G.B. International, Inc.**  
**Statement of income**  
**For the six months ended March 31, 2006**

Sales	\$31,199,557
Cost of sales	<u>29,299,612</u>
Gross profit	1,899,945
Commission income:	
Sales value	\$1,037,216
Cost of sales	<u>983,167</u>
	<u>54,049</u>
Net commission income	
Operating income	1,953,994
Selling, general, and administrative expenses	<u>1,356,207</u>
Income before provision for taxes	<u>\$597,787</u>